

CapitaLand Malaysia Trust (CLMT MK)

3Q25: Results In Line; To Acquire More Industrial Assets

Highlights

- 3Q25 results are within expectation. 9M25 DPU of 3.6sen implies an annualised yield of 7.8%.
- We expect positive rental reversion in 2026, driven by asset enhancement initiatives and improving occupancy at The Mines and 3 Damansara.
- Maintain BUY with an unchanged target price of RM0.78.

Analysis

3Q25 Results

Year to 31 Dec (RMm)	3Q25 (RMm)	3Q24 (RMm)	2Q25 (RMm)	qoq % chg	yoy % chg	9M25 (RMm)	yoy % chg
Rental income	95.3	87.9	93.9	1.5	8.5	286.8	7.7
Car park income	8.0	7.7	8.1	(0.9)	4.6	24.5	3.2
Other revenue	12.7	13.7	13.7	(7.3)	(7.3)	40.9	(8.8)
Total revenue	116.0	109.2	115.7	0.3	6.2	352.1	5.2
Operating expenses	(46.9)	(47.2)	(47.0)	(0.1)	(0.7)	(144.2)	0.6
Net property income	69.1	62.0	68.7	0.5	11.5	207.9	8.6
Non-operating expenses	(32.6)	(32.4)	(32.9)	(0.9)	0.4	(97.5)	1.6
Core net profit	37.2	30.2	36.7	1.4	22.9	112.7	19.6
Core EPU (sen)	1.12	1.07	1.25	(11.1)	4.7	3.7	10.2
DPU (sen)	1.11	1.07	1.18	(5.9)	3.7	3.6	4.1
Margins (%):				ppt chg	ppt chg		ppt chg
Net property income	59.6	56.7	59.4	0.2	2.8	59.0	1.9
PAT	32.0	27.7	31.7	0.4	4.4	32.0	3.9

Source: CapitaLand Malaysia Trust, UOB Kay Hian

- Within expectations.** CapitaLand Malaysia Trust (CLMT) reported 3Q25 revenue of RM95m (+2% qoq, +9% yoy) and core net profit of RM37m (+1% qoq, +23% yoy). Cumulatively, 9M25 core net profit of RM113m (+20% yoy) accounted for 75% and 74% of our and consensus full-year estimates respectively. 3Q25 core net profit grew 23% yoy due to: a) positive retail rental reversions, b) the commencement of rental income recognition from its industrial and logistic assets, and c) lower finance cost. Average cost of debt declined to 4.27% p.a. (from 4.56% p.a. in 2024).
- Declares 1.11 sen dividend.** A dividend of 1.11 sen was declared for 3Q25, bringing 9M25 distribution per unit to 3.6 sen, which implies an annualised yield of 7.8%.

Key Financials

Year to 31 Dec (RMm)	2023	2024	2025F	2026F	2027F
Net turnover	395.4	454.8	478.4	507.5	522.2
Operating profit	193.2	234.3	247.5	271.1	278.3
Net profit (rep./act.)	163.7	187.2	150.8	173.7	179.5
Net profit (adj.)	111.2	138.3	150.8	173.7	179.5
EPU (sen)	4.1	4.8	5.0	5.2	5.4
DPU (sen)	4.2	4.7	4.8	5.1	5.3
PE (x)	16.0	13.5	12.9	12.5	12.1
P/B (x)	0.5	0.6	0.7	0.8	0.8
DPU Yld (%)	6.4	7.2	7.4	7.9	8.1
Net margin (%)	28.1	30.4	31.5	34.2	34.4
Net debt/(cash) to asset (%)	40.7	39.6	38.7	38.7	38.9
Interest cover (x)	2.4	2.5	2.6	2.8	2.8
Consensus DPU (sen)	-	-	4.7	5.0	5.2
UOBKH/Consensus (x)	-	-	1.0	1.0	1.0

Source: CLMT, Bloomberg, UOB Kay Hian

BUY (Maintained)

Share Price	RM0.615
Target Price	RM0.780
Upside	26.8%

Analyst(s)

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Stock Data

GICS sector	Real Estate
Bloomberg ticker:	CLMT MK
Shares issued (m):	3,331.3
Market cap (RMm):	2,048.7
Market cap (US\$m):	484.3
3-mth avg daily t'over (US\$m):	0.5

Price Performance (%)

52-week high/low RM0.705/RM0.55

1mth	3mth	6mth	1yr	YTD
(0.8)	(6.8)	(2.4)	(11.5)	(8.9)1

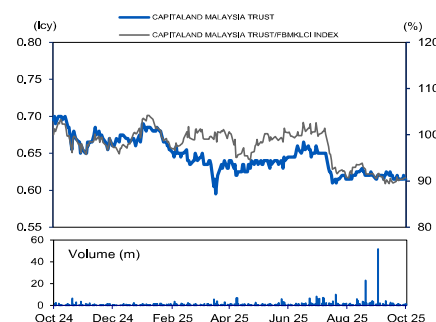
Major Shareholders

	%
CMMT Investment	32.8
Employees Provident Fund	15.4
Amanah Saham Nasional	11.1

FY25 NAV/Share (RM) 0.87

FY25 Net Debt/Share (RM) 0.62

Price Chart



Source: Bloomberg

Company Description

CapitaLand Malaysia Trust is a real estate investment trust. The trust makes long-term investments in income-producing real estate primarily used for retail purposes and located in Malaysia.

- **Rental reversion trends consistent with past quarters.** The average retail rental reversion stood at 10.9% in 9M25 (vs +10.8% in 1H25), led by ex-Klang Valley malls at +12.3% (1H25: +11.8%) while Klang Valley malls registered +4.3% (1H25: +4.9%). We understand there had been some initial pushbacks on rental renewals following the SST announcement, but management has since seen encouraging progress in lease renewals for 2026 (around 31% of its retail portfolio).
- **Shopper traffic to improve on AEs and fresh tenant mix.** In 3Q25, tenant sales per sf declined 2% yoy, in tandem with flattish shopper traffic (-0.9% yoy to 17.9m) and muted sentiment after the implementation of the SST. Nevertheless, we expect shopper traffic to improve going forward, supported by: a) reconfiguration exercises at Gurney Plaza, and b) higher occupancy at The Mines (81% to 86%) and 3 Damansara (83% to 84%), driven by new F&B and entertainment tenants such as Game On and Oxygym at The Mines.
- **Portfolio expansion into industrial assets with targeted yield of 6-6.5%.** As of end-3Q25, CLMT had taken possession of Senai Airport City Facilities (at a gross yield of 7.1%), Synergy Logistics Hub (6.8%) and Iskandar Puteri Facilities (7.3%), which are expected to contribute full-quarter results starting from 1Q26. Going forward, management aims to increase the portfolio mix of industrial assets to 20% (from 7.9%/2.8% as of end-3Q25/2024), in accordance with its expanded investment mandate. Enquiries for industrial space are currently led by tenants from China (50%), the US and Europe (30%), and Singapore (20%).

Valuation/Recommendation

- **Maintain BUY with an unchanged target price of RM0.78.** Our target price implies a 6.6% 2026 dividend yield, based on the dividend discount model (required rate of return: 8.5%, terminal growth: 1.5%).

Earnings Revision/Risk

- We increase our 2025-27 earnings forecasts by 1%/12%/11% respectively to account for the completion of industrial acquisitions, but keep our EPU/DPU forecasts unchanged due to a higher share base from a placement exercise.

Environment Social Governance (ESG) Updates

Environmental

- CLMT is committed to working towards the long-term and annual targets under CapitaLand's 2030 SMP Framework to: a) cut carbon emission intensity by 78% by 2030, b) lower energy intensity by 35% by 2030, and c) reduce water intensity by 45% by 2030 (using 2009 as base year).

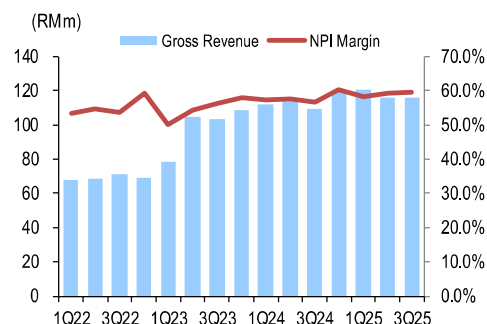
Social

- About 20% of senior management comprises women. Staff engagement score was 81% with 98% survey participation.

Governance

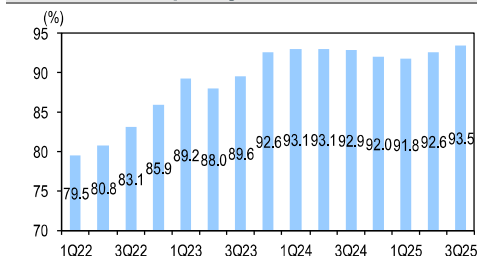
- The Board comprises five independent directors and three non-independent directors. Female representation on board is 12.5%. There are four Board Committees – Audit Committee, Executive Committee, Nomination Committee and Remuneration Committee.

Revenue and NPI Margin



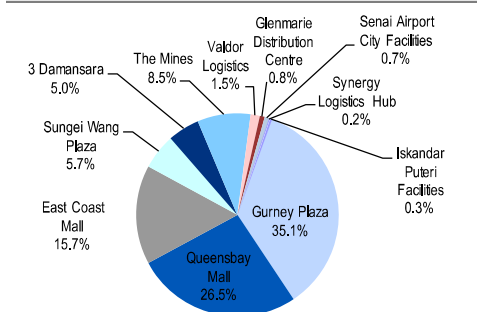
Source: CLMT, UOB Kay Hian

Portfolio Occupancy Rate



Source: CLMT, UOB Kay Hian

Revenue Breakdown (3Q25)



Source: CLMT, UOB Kay Hian

CLMT 12-month Forward Yield Spread to MGS



Source: CLMT, Bloomberg, UOB Kay Hian

Profit & Loss

Year to 31 Dec (RMm)	2024	2025F	2026F	2027F
Net turnover	454.8	478.4	507.5	522.2
EBITDA	236.0	249.2	273.6	280.9
Deprec. & amort.	1.7	1.7	2.6	2.6
EBIT	234.3	247.5	271.1	278.3
Associate contributions	0.0	0.0	0.0	0.0
Net interest income/(expense)	(96.1)	(96.7)	(97.4)	(98.8)
Pre-tax profit	195.4	150.8	173.7	179.5
Tax	(8.3)	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0
Net profit	187.2	150.8	173.7	179.5
Net profit (adj.)	138.3	150.8	173.7	179.5

Balance Sheet

Year to 31 Dec (RMm)	2024	2025F	2026F	2027F
Fixed assets	5,134.0	5,154.0	5,174.0	5,194.0
Other LT assets	3.4	3.4	3.4	3.4
Cash/ST investment	81.5	144.4	164.2	181.2
Other current assets	52.0	33.8	38.9	39.7
Total assets	5,271.0	5,335.7	5,380.6	5,418.4
ST debt	186.8	186.8	186.8	186.8
Other current liabilities	216.4	239.5	246.1	249.5
LT debt	1,981.7	2,021.7	2,061.7	2,101.7
Other LT liabilities	0.0	0.0	0.0	0.0
Shareholders' equity	2,882.9	2,890.5	2,882.9	2,882.9
Minority interest	0.0	0.0	0.0	0.0
Total liabilities & equity	5,267.8	5,338.5	5,377.5	5,420.8

Cash Flow

Year to 31 Dec (RMm)	2024	2025F	2026F	2027F
Operating	212.0	296.1	278.6	283.3
Profit fo the year	195.4	150.8	173.7	179.5
Tax	(8.3)	0.0	0.0	0.0
Deprec. & amort.	1.7	1.7	2.6	2.6
Associates	0.0	0.0	0.0	0.0
Working capital changes	(32.9)	46.9	5.0	2.5
Non-cash items	0.0	0.0	0.0	0.0
Other operating cashflows	56.1	96.7	97.4	98.8
Investing	(55.5)	(20.0)	(20.0)	(20.0)
Capex (growth)	(57.8)	(20.0)	(20.0)	(20.0)
Investment	3.4	3.4	3.4	3.4
Capex (growth)	0.0	0.0	0.0	0.0
Others	(1.2)	(3.4)	(3.4)	(3.4)
Financing	(153.0)	(213.2)	(238.7)	(246.3)
Dividend payments	(56.0)	(154.7)	(178.4)	(184.3)
Proceeds from borrowings	460.9	40.0	40.0	40.0
Loan repayment	(454.4)	0.0	0.0	0.0
Others/interest paid	(103.6)	(98.5)	(100.3)	(102.1)
Net cash inflow (outflow)	3.5	62.9	19.9	17.0
Beginning cash & cash equivalent	78.0	81.5	144.4	164.2
Changes due to forex impact	0.0	0.0	0.0	0.0
Ending cash & cash equivalent	81.5	144.4	164.2	181.2

Key Metrics

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Profitability				
EBITDA margin	51.9	52.1	53.9	53.8
Pre-tax margin	43.0	31.5	34.2	34.4
Net margin	41.2	31.5	34.2	34.4
ROA	3.6	2.8	3.2	3.3
ROE	6.6	5.2	6.0	6.2
Growth				
Turnover	15.0	5.2	6.1	2.9
EBITDA	21.1	5.6	9.8	2.6
Pre-tax profit	17.5	(22.8)	15.2	3.3
Net profit	14.4	(19.4)	15.2	3.3
Net profit (adj.)	24.3	9.1	15.2	3.3
EPU	18.3	4.9	3.5	3.3
Leverage				
Debt to total capital	42.9	43.3	43.8	44.3
Debt to total asset	75.2	76.4	78.0	79.4
Net debt/(cash) to asset	72.4	71.4	72.3	73.1
Interest cover (x)	2.5	2.6	2.8	2.8

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